AF/EW

PATENT

Paper No.

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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Inventors	:	Anthony F. Herbst and Wayne F. Perg
Serial No.	:	09/467,646
Filed	:	December 20, 1999
For	:	DIGITAL COMPUTER SYSTEM FOR OPERATING A CUSTOMIZABLE INVESTMENT FUND
Group Art Unit	:	3628
Examiner	:	POINVIL, Frantzy

Honorable Commissioner of Patents
and Trademarks
Washington, D.C. 20231

TRANSMITTAL LETTER AND SUPPLEMENT TO
APPEAL BRIEF APPENDIX

S I R :

Please enter the following enclosed documents in the above-identified patent application, as a Supplement to the Appeal Brief Appendix.

Subsequent to filing the Appeal Brief in the above-identified application, the enclosed decisions in related cases were received.

1. Copy of Decision on the Brief, mailed October 28, 2004, for Application 09/375,817, Appeal No. 2004-0511, 8 Pages (in triplicate); and

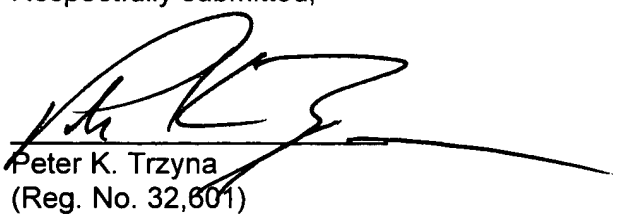
2. Copy of Decision on the Brief, mailed October 29, 2004, for Application 09/280,244, Appeal No. 2004-0132, 8 Pages (in triplicate).

Applicant/Appellant wishes to bring these decisions to the Board's attention because they turn on analogous points at issue in the instant appeal, namely that a portfolio is not a disclosure of a fund.

Applicant claims small entity status. The Commissioner is hereby authorized to charge any fees associated with the above-identified patent application or credit any overcharges to Deposit Account No. 50-0235.

Please direct all correspondence to the undersigned at the address given below.

Respectfully submitted,



Date: November 2, 2004

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The opinion in support of the decision being entered today was not written for publication and is not binding precedent of the Board.

Paper No. 31

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES

Ex parte ANTHONY F. HERBST, and WAYNE F. PERG

Appeal No. 2004-0132
Application 09/280,244

ON BRIEF

Before JERRY SMITH, RUGGIERO and SAADAT, Administrative Patent Judges.

JERRY SMITH, Administrative Patent Judge.

DECISION ON APPEAL

This is a decision on the appeal under 35 U.S.C. § 134 from the examiner's rejection of claims 1-38, which constitute all the claims in the application.

The disclosed invention pertains to a computer-aided method for implementing a synthetic investment fund having at least two kinds of shares.

Representative claim 1 is reproduced as follows:

1. A computer-aided method for implementing a synthetic investment fund, having at least two different kinds of shares, the method including the steps of:

forming the synthetic investment fund with a digital computer by entering data representing said at least two kinds of shares including an amount of an interest-bearing asset and an amount of a stock-related instrument, said amounts related by a mathematical relationship; and

balancing, for each respective said kind of share, the amount of the interest-bearing asset and the amount of the stock-related instrument to maintain the mathematical relationship in response to input market price data corresponding respectively to the interest-bearing asset and to the stock-related instrument;

calculating, for each respective said kind of share, unit values for said shares in the fund in response to the input market price data;

inputting, for each respective said kind of share, trade data to facilitate investors trading the shares in the fund;

accounting, for each respective said kind of share, for the trading, for changes in the market price data for the interest-bearing asset, and for the amount of the stock-related instrument, and for transactions involving the interest-bearing asset and transactions involving the stock-related asset; and

generating, for each respective said kind of share, price data and holding data as output for reporting to said investors.

The examiner relies on the following reference:

Wallman	6,161,098	Dec. 12, 2000 (filed Sep. 14, 1998)

Claims 1-14, 18, 23, 25 and 28-38 stand rejected under 35 U.S.C. § 102(e) as being anticipated by the disclosure of Wallman. Claims 15-17, 19-22, 24, 26 and 27 stand rejected under 35 U.S.C. § 103(a). As evidence of obviousness the examiner offers Wallman in view of what the examiner denominates as "Official Notice."

Rather than repeat the arguments of appellants or the examiner, we make reference to the briefs and the answer for the respective details thereof.

OPINION

We have carefully considered the subject matter on appeal, the rejections advanced by the examiner and the evidence of anticipation and obviousness relied upon by the examiner as support for the rejections. We have, likewise, reviewed and taken into consideration, in reaching our decision, the appellants' arguments set forth in the briefs along with the examiner's rationale in support of the rejections and arguments in rebuttal set forth in the examiner's answer.

It is our view, after consideration of the record before us, that the evidence relied upon does not support either of the examiner's rejections. Accordingly, we reverse.

We consider first the rejection of claims 1-14, 18, 23, 25 and 28-38 as being anticipated by the disclosure of Wallman. Anticipation is established only when a single prior art reference discloses, expressly or under the principles of inherency, each and every element of a claimed invention as well as disclosing structure which is capable of performing the recited functional limitations. RCA Corp. v. Applied Digital Data Systems, Inc., 730 F.2d 1440, 1444, 221 USPQ 385, 388 (Fed. Cir.); cert. dismissed, 468 U.S. 1228 (1984); W.L. Gore and Associates, Inc. v. Garlock, Inc., 721 F.2d 1540, 1554, 220 USPQ 303, 313 (Fed. Cir. 1983), cert. denied, 469 U.S. 851 (1984).

With respect to independent claims 1 and 28, the examiner has indicated how he reads the claimed invention on the disclosure of Wallman [answer, pages 3-4]. Appellants argue that Wallman pertains to an investor's portfolio and has nothing to do with a "fund" or a "synthetic investment fund." Appellants argue that what constitutes a "fund" is well known in securities law and finance, and that a personal investor's portfolio, such as taught by Wallman, cannot constitute such a fund. Appellants

note that merely holding mutual fund shares in the Wallman investment portfolio is not the same as forming a synthetic investment fund as claimed. Since appellants argue that Wallman fails to disclose a synthetic investment fund, they argue that Wallman cannot disclose any of the claimed steps which operate on a synthetic investment fund. Appellants also argue that there is no disclosure of the mathematical relationship in Wallman nor of the balancing of assets based on the relationship [brief, pages 21-32]. The examiner responds that as best understood by him, a mutual fund represents a portfolio of securities which is taught by Wallman. The examiner also responds that a mathematical relationship can be any relationship between the amount entered in the portfolio for the two kinds of shares [answer, pages 6-10]. Appellants respond by repeating their argument that Wallman does not pertain to a synthetic investment fund [reply brief].

We will not sustain the examiner's rejection of independent claims 1 and 28 for essentially the reasons argued by appellants in the briefs. The rejection of these claims can be decided on the very narrow question of whether the management of an individual investor's portfolio as taught by Wallman can meet the claim recitation of forming a synthetic investment fund. We agree with appellants that a synthetic investment fund must be

interpreted in the manner understood by those skilled in the art. The artisans would understand that such a fund is not met by an individual investor's portfolio. We agree with appellants that the term synthetic investment fund only relates to a securities fund meeting the various regulations required of publicly traded securities. Therefore, the examiner's finding that Wallman teaches a synthetic investment fund is incorrect. We also agree with appellants that Wallman does not teach the claimed balancing so as to maintain a mathematical relationship between different kinds of shares of the fund. Whatever the mathematical relationship is, the claims require that the relationship be maintained, that is, not changed. Wallman provides no disclosure of maintaining some mathematical relationship between the securities within his portfolio.

Since we have not sustained the examiner's rejection of independent claims 1 and 28, we also do not sustain the examiner's rejection of any of the dependent claims under 35 U.S.C. § 102.

With respect to the rejection of claims 15-17, 19-22, 24, 26 and 27 as being unpatentable over the teachings of Wallman and "Official Notice," we will not sustain this rejection of the claims because the examiner has failed to establish a prima facie

case of obviousness. The deficiencies in Wallman discussed above render the rejection of these claims improper for the same reasons discussed above.

In summary, we have not sustained either of the examiner's rejections of the claims on appeal. Therefore, the decision of the examiner rejecting claims 1-38 is reversed.

REVERSED

JERRY SMITH
Administrative Patent Judge

Joseph F. Ruggiero
Administrative Patent Judge

Mahshid D. Saadat
Administrative Patent Judge

BOARD OF PATENT APPEALS AND INTERFERENCES

JS/dym

Peter K Trzyna
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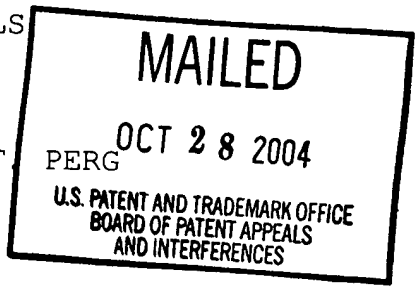
The opinion in support of the decision being entered today was not written for publication and is not binding precedent of the Board.

Paper No. 28

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE BOARD OF PATENT APPEALS AND INTERFERENCES



Ex parte ANTHONY F. HERBST and WAYNE F. PERG

Appeal No. 2004-0511
Application 09/375,817

ON BRIEF

Before JERRY SMITH, BARRETT, and MACDONALD, Administrative Patent Judges.

JERRY SMITH, Administrative Patent Judge.

DECISION ON APPEAL

This is a decision on the appeal under 35 U.S.C. § 134 from the examiner's rejection of claims 1-39, which constitute all the claims in the application.

The disclosed invention pertains to a computer-aided method for operating a synthetic investment fund having at least two different classes of interest.

Representative claim 1 is reproduced as follows:

1. A computer-aided method for operating a synthetic investment fund having at least two different classes of interest, the method including the steps of:

forming the synthetic investment fund with a digital computer by entering data representing said at least two classes of interests and an amount of an interest-bearing asset, an amount of a derivative instrument, said amounts related by a mathematical relationship;

entering respective market prices for the interest-bearing asset and for the derivative instrument;

calculating a unit value for each said class of interests in the fund in response to the market prices; and

generating output including holding data for each said class of interests in the fund and the unit value for each said class of interests in the fund.

The examiner relies on the following references:

Wallman (Wallman '098)	6,161,098	Dec. 12, 2000 (filed Sep. 14, 1998)
Wallman (Wallman '210)	6,360,210	Mar. 19, 2002 (filed Feb. 12, 1999)

Claims 1-33 stand rejected under 35 U.S.C. § 102(e) as being anticipated by the disclosure of Wallman '098. Claims 34-39 stand rejected under 35 U.S.C. § 103(a). As evidence of obviousness the examiner offers Wallman '098 in view of Wallman '210.

Rather than repeat the arguments of appellants or the examiner, we make reference to the briefs and the answer for the respective details thereof.

OPINION

We have carefully considered the subject matter on appeal, the rejections advanced by the examiner and the evidence of anticipation and obviousness relied upon by the examiner as support for the rejections. We have, likewise, reviewed and taken into consideration, in reaching our decision, the appellants' arguments set forth in the briefs along with the examiner's rationale in support of the rejections and arguments in rebuttal set forth in the examiner's answer.

It is our view, after consideration of the record before us, that the evidence relied upon does not support either of the examiner's rejections. Accordingly, we reverse.

We consider first the rejection of claims 1-33 as being anticipated by the disclosure of Wallman '098. Anticipation is established only when a single prior art reference discloses, expressly or under the principles of inherency, each and every element of a claimed invention as well as disclosing structure which is capable of performing the recited functional limitations. RCA Corp. v. Applied Digital Data Systems, Inc., 730 F.2d 1440, 1444, 221 USPQ 385, 388 (Fed. Cir.); cert. dismissed, 468 U.S. 1228 (1984); W.L. Gore and Associates, Inc.

v. Garlock, Inc., 721 F.2d 1540, 1554, 220 USPQ 303, 313 (Fed. Cir. 1983), cert. denied, 469 U.S. 851 (1984).

With respect to independent claim 1, the examiner has indicated how he reads the claimed invention on the disclosure of Wallman '098 [answer, pages 3-4]. Appellants argue that Wallman '098 pertains to an investor's portfolio and has nothing to do with a "fund" or a "synthetic investment fund." Appellants argue that what constitutes a "fund" is well known in securities law and finance, and that a personal investor's portfolio, such as taught by Wallman '098, cannot constitute such a fund. Appellants note that merely holding mutual fund shares in the Wallman '098 investment portfolio is not the same as forming a synthetic investment fund as claimed. Since appellants argue that Wallman '098 fails to disclose a synthetic investment fund, they argue that Wallman '098 cannot disclose any of the claimed steps which operate on a synthetic investment fund. Appellants also argue that there is no disclosure of the mathematical relationship in Wallman '098 nor of the balancing of assets based on the relationship [brief, pages 21-32]. The examiner responds that as best understood by him, a mutual fund represents a portfolio of securities which is taught by Wallman '098. The examiner also responds that a mathematical relationship can be

any relationship between the amount entered in the portfolio for the two kinds of shares [answer, pages 5-10]. Appellants respond by repeating their argument that Wallman '098 does not pertain to a synthetic investment fund [reply brief].

We will not sustain the examiner's rejection of independent claim 1 for essentially the reasons argued by appellants in the briefs. The rejection of these claims can be decided on the very narrow question of whether the management of an individual investor's portfolio as taught by Wallman '098 can meet the claim recitation of forming a synthetic investment fund. We agree with appellants that a synthetic investment fund must be interpreted in the manner understood by those skilled in the art. The artisans would understand that such a fund is not met by an individual investor's portfolio. We agree with appellants that the term synthetic investment fund only relates to a securities fund meeting the various regulations required of publicly traded securities. Therefore, the examiner's finding that Wallman '098 teaches a synthetic investment fund is incorrect. We also agree with appellants that Wallman '098 does not teach the balancing so as to maintain a mathematical relationship between the two classes of the fund as recited in claim 2. Whatever the mathematical relationship is, the claims require that the

relationship be maintained, that is, not changed. Wallman '098 provides no disclosure of maintaining some mathematical relationship between the securities within his portfolio.

Since we have not sustained the examiner's rejection of independent claim 1, we also do not sustain the examiner's rejection of any of the dependent claims under 35 U.S.C. § 102.

With respect to the rejection of claims 34-39 as being unpatentable over the teachings of Wallman '098 and Wallman '210, we will not sustain this rejection of the claims because the examiner has failed to establish a prima facie case of obviousness. The deficiencies in Wallman '098 discussed above render the rejection of these claims improper for the same reasons discussed above. Wallman '210 does not overcome these noted deficiencies.

In summary, we have not sustained either of the examiner's rejections of the claims on appeal. Therefore, the decision of the examiner rejecting claims 1-39 is reversed.

REVERSED

JERRY SMITH)
Administrative Patent Judge)
)
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LEE E. BARRETT)
Administrative Patent Judge) BOARD OF PATENT
) APPEALS AND
) INTERFERENCES
)
ALLEN R. MACDONALD)
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